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DoD Public Meeting: Detection and Avoidance of Counterfeit Electronic Parts

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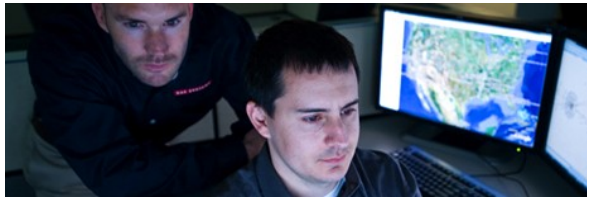

Trusted Suppliers

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- Supplier selection is critical to avoiding counterfeit electronic parts.
  - Government studies show exposure to counterfeit electronic parts is directly related to the category of suppliers involved in the sale of electronic parts.
  - Counterfeit electronic parts tend to find their way into the supply chain through suppliers **other than** original equipment manufacturers (OEMs) or their authorized distributors.

Trusted Suppliers

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- We believe it is essential that rulemaking and policymaking:
  - require that electronic parts be acquired from trusted suppliers whenever possible;
  - limit the definition of “trusted suppliers” to:
    - OEMs,
    - authorized distributors, and
    - suppliers that obtain electronic parts exclusively from the original manufacturer or its authorized distributors; and
  - for cases in which it is not possible to acquire electronic parts from these trusted suppliers (e.g., in the case of obsolete parts), require that purchasers – whether government or industry – apply due diligence (traceability, rigorous testing, etc.) when acquiring parts from other sources of supply. These latter sellers should be excluded when items are available from a “trusted supplier”

Trusted Suppliers

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- OEMs of commercial off-the-shelf (COTS) assemblies (e.g., computers, routers, video displays, test and measurement devices), generally do not accept government-unique flowdown clauses such as those anticipated by DFARS Case 2012-D055.
- For COTS electronic assemblies, we recommend that DoD:
  - limit the definition of “trusted suppliers” to:
    - OEMs,
    - authorized distributors, and
    - suppliers who obtain COTS electronic assemblies exclusively from the OEM or its authorized distributors; and
  - provide an exemption from the flowdown of counterfeit prevention requirements to the electronic parts level (authorized by USC 41 Section 1907).

Reporting

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- Both DoD and industry should promptly report counterfeit electronic parts discoveries through the Government-Industry Data Exchange Program (GIDEP).
- Clear protocols needed
  - Who reports?
  - Ensure as much relevant information shared within defense community as possible

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